

The GSA Public Buildings Service's Special Programs Division Is Not Effectively Managing Reimbursable Work Authorizations - GSA Office of Inspector General

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Why We Performed This Audit

The Special Programs Division (SPD) is a division of the GSA Public Buildings Service's (PBS's) Office of Project Delivery. PBS formally established the SPD in October 2008 as the Land Ports of Entry Special Programs Division; however, since that time, the SPD's mission and customer base have expanded considerably. The SPD currently executes and manages national projects and programs across all GSA regions, and provides assistance when a region's workload becomes overwhelming.

All funding for the SPD is provided through reimbursable work authorizations (RWAs). An RWA is an interagency agreement PBS uses to provide goods and services to other federal agencies. Because RWAs are primarily funded through customer agencies' appropriated funding, the SPD is responsible for careful stewardship of these funds to ensure they are properly managed. As of April 20, 2021, the SPD managed a portfolio of 228 active RWAs, totaling over \$528 million.

Prior GSA Office of Inspector General audit reports have identified deficiencies in PBS's management of RWAs. Because this represents an area of significant risk, this audit was included in our *Fiscal Year 2020 Audit Plan*. Our objective was to determine whether PBS's SPD has effective controls over its acceptance, management, administration, and funding of RWAs in accordance with all applicable laws, regulations, and GSA policies.

What We Found

We found that the SPD is not effectively fulfilling its stewardship responsibilities. The SPD is accepting and executing RWAs from customer agencies without sufficient consideration of applicable laws, regulations, and GSA policies. We found that the SPD violated federal appropriations law. Specifically, the SPD violated the *bona fide* needs rule by accepting an RWA with poorly defined requirements and adding work locations to another RWA more than 2 years after acceptance. The SPD also violated federal regulations and GSA policy because it did not contractually obligate four RWAs within a reasonable time frame and update milestone schedules for the RWAs in a timely manner. Additionally, the SPD did not close out an RWA in a timely manner and made multiple attempts to use the residual balance for out-of-scope work.

What We Recommend

We recommend that the PBS Commissioner takes action to ensure that the SPD:

1. Properly trains its employees in the acceptance, execution, and closeout of RWAs in accordance with applicable laws, regulations, and GSA policies.
2. Properly oversees project managers and other acquisition personnel regarding any RWA contract administration, including modifications and closeouts.
3. Adequately documents delays, and all efforts to rectify those delays, when contract award cannot be completed within a reasonable time, or when mutually agreed-upon milestone dates cannot be met.
4. Implements controls to meet reasonable time requirements for contractual obligations. As part of these controls, ensure the SPD works with customer agencies to expeditiously cancel RWAs that cannot

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proceed within a reasonable time.

5. Implements controls to ensure that substantially completed RWAs are identified and closed out according to applicable GSA policies.

In its response, PBS agreed with our report recommendations and provided general comments on the *bona fide* needs rule. These comments did not affect our finding and conclusions. GSA's written comments are included in their entirety in **Appendix D**.

Business Line

Public Buildings Service

Issue Date

12/02/2022

File

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